

DENVER HOMEOWNERSHIP CENTER

SINGLE FAMILY HOUSING

UNDERWRITING INDEX (S – Z)

(Revised May 1, 2006)

SUBJECT	HANDBOOK (HB)	MORTGAGEE LETTER (ML)
S		
SALES CONCESSION		ML 05-02
SALES CONCESSION (Paid by seller)	HB 4155.1, Section 1-7B	
SECONDARY FINANCING	HB 4155.1, Section 1-13 HB 4000.2, Section 1-14	
Federal, State, Local Government	HB 4155.1, Section 1-13A HB 4000.2, Section 1-14	Memo 8-23-01
Non-profit Agencies	HB 4155.1, Section 1-13B HB 4000.2, Section 1-14B	ML 00-08; Memo 8-23-01
Other Organization & Individuals	HB 4155.1, Section 1-13C HB 4000.2, Section 1-14C	
Family	HB 4155.1, Section 1-13E HB 4000.2, Section 1-14E	ML 96-58
Balloon Payment		ML 96-58
Definition		ML 96-58
60 Years of Age or Older	HB 4000.2, Section 1-14D	
Secured		ML 97-27
SECONDARY RESIDENCE	HB 4155.1, Section 1-3	
SECTION 203 (H) (Also see disaster)	HB 4000.2, Section 6-3; HB 4330.1, Chap. 14; HB 4240.1, Chaps. 1 & 2	ML 01-07
SECTION 203(i) Outlying Areas	HB 4000.2, Section 6-4	
SECTION 203(K)	HB 4240.1 HB 4000.2, Section 6-5	
Administration		ML 98-11
Application, Architectural documents	HB 4150.2, App. B, B1C	
Appraisals	HB 4150.2, App. B, B-1	ML 95-40

SUBJECT	HANDBOOK (HB)	MORTGAGEE LETTER (ML)
SECTION 203(K) (Continued)		
Assumptions		ML 96-18, #II
Borrower's Acknowledgment		MLs 95-40, #IX; 94-11
Borrower as Contractor		ML 98-22, #3
Business Usage	HB 4150.2, Appx B	
Cash Back		ML 92-33
Chain of Title		MLs 00-25; 95-40, Page 6
Condominiums	HB 4150.2, App. B, B-1	ML 95-40
Conditional Commitment		ML 94-11, #7
Value	HB 4240.4, Section 4-2	ML 95-40, #13
Conflict of Interest		ML 00-25
Consultant	HB 4150.1, App. B, B-1	
Contingency Reserve	HB 4240.4, Section 1-9F	
Conversions from Multi/Family		ML 96-21
Development Fees		ML 96-21
Discount Points		ML 94-11, #11
Disaster Relief		MLs 01-07; 96-18, #II
Draw Requests/Escrow		ML 95-40, #II
Discounted Sales Price		ML 96-18, #II
Energy Efficient Mortgage		ML 95-40, Page 8
Cost of Energy Improvements Financed		ML 98-2
Required Write Up		ML 98-2
Escrow Commitment – Procedure		MLs 96-21; 95-40
Fees	HB 4240.4, Section 1-13	ML 95-40
Holdback	HB 4240.4, Section 1-9E	
Homeowner/Contractor Agreement		ML 98-11
Housing & Non-profit Agencies (Resale)		ML 96-21
HUD-owned Properties		MLs 95-40; 97-05
Appraisals		ML 95-40, #III
Closing Costs		ML 95-40, #III
Lead-based Paint		Notice 01-01
Maximum Mortgage 203(k)		Notice 98-32
Investor 75%/85%		Notice 98-32
Refinance W/203(k)		ML 92-33
Identity of Interest	HB 4240.2, Section 1-20	MLs 95-40, Page 6; 97-05
Investor Moratorium		ML 96-59

SUBJECT	HANDBOOK (HB)	MORTGAGEE LETTER (ML)
SECTION 203(K) (Continued)		
Lead-based Paint		MLs 00-01; 99-22; 99-18; Notice 01- 01
Lender Issues		ML 95-40, #II
Agents		ML 95-40, #II
Employees		ML 97-26
Loan Administration		ML 98-11, #3
Funds Disbursement		ML 98-11, #3
Homeowner/Contractor Agreement		ML 98-11, # 3
Quality Control		ML 98-11, #3
Self-Help Agreement		MLs 98-11, #3; 94-11, 15
Underwriting		ML 98-11
Loan Calculation		ML 98-29
Mixed Use	HB 4150.2, App. B	ML 95-40, #III
Mortgage Basis (Maximum)		ML 97-05
Mortgage Payment	HB 4240.4, Section 1-9G	ML 96-21
Net Development Cost (Also see Development Cost)		MLs 97-05; 96-21
Non-profit Agencies		MLs 95-40, Page 6; 96-21; 97-05
10-Unit Limitation		ML 00-08
Partnerships		ML 95-40, Page 6
Plan Reviewer's Duties	HB 4240.4, Sections 1-4, 3-2F	
Property Eligibility	HB 4150.2, App. B, B-1	
Recently Acquired (<6months)		ML 95-40
Refinance	HB 4240.4, Sections 1-5 & 4-7	
Rehabilitation Costs	HB 4240.4, Section 1-10B	
REO	HB 4150.2, Section 3-6A.5	ML 00-27
Repairs (Eligible/Ineligible)	HB 4150.2, App. B, B-1A; HB 4240.4, Section 1-7	
Self-Help Agreement		ML 98-11, #3
Seven Unit Limitation		MLs 96-21, 96-23
Streamlined 203(k)		ML 05-19
Storm Shelters		ML 94-11, #15
Sweat Equity		ML 00-04
Test Cases (DE)	HB 4240.4, Section 1-19	MLs 98-11, #3; 94-11, 17
Value	HB 4240.4, Section 4-2	

SUBJECT	HANDBOOK (HB)	MORTGAGEE LETTER (ML)
SECTION 203(K) (Continued)		
As-Is		ML 94-11, #7
As Repaired	HB 4150.2, App. B, B-1	
Conditional Commitment	HB 4240.4, Section 4-2	
Work Write-Up		
EEM		ML 98-02
REO Lead-based Paint		Notice 01-01
SECTION 203(n) Single-Family Cooperative	HB 4000.2, Section 6-6	
SECTION 203 (K) Limited Repair Program		ML 05-19
SECTION 220(d)(3)(A) Urban Renewal	HB 4000.2, Section 6-7	
SECTION 220(h) Improvement Urban Renewal	HB 4000.2, Section 6-8	
SECTION 221 (d)(2)		
Elimination of Program		ML 01-05
Refinance	HB 4150.1, Section 2-10	
SECTION 223(e) Miscellaneous Housing Insurance	HB 4150.2, Sections 6-11 & 2-20; HB 4260.1; HB 4000.2, Section 2-12 HB 4000.2, Section 6-9	
Appraisal	HB 4150.2, App. B-3	ML 93-29, #6
SECTION 233 Experimental Housing	HB 4000.2, Section 6-10	
SECTION 234(c) Condominium Units	HB 4000.2, Section 6-11	
SECTION 235		
Attachments (Superseding)		ML 96-13
Discounts Points		MLs 95-53; 96-13
Junior Liens		ML 96-13
Inspections		ML 95-34
Refinancing to 203(b)	HB 4155.1, Section 1-12D(20)	MLs 96-13; 95-53; 93-3; 91-22
Servicing Errors		ML 89-25

SUBJECT	HANDBOOK (HB)	MORTGAGEE LETTER (ML)
SECTION 238 Military Impacted Areas (MIAs)	HB 4000.2, Section 6-12	
SECTION 245 (a) GPMs & GEMs	HB 4000.2, Section 6-13	
GEMs – Negative Amortization	HB 4000.2, Section 6-13B	
GPMs – Household Incomes Expected to Rise	HB 4000.2, Section 6-13A	
SECTION 247 Hawaiian Home Lands	HB 4000.2, Section 6-14	
SECTION 248 Indian Lands	HB 4000.2, Section 6-15	ML 94-6
SECTION 251 ARMS	HB 4000.2, Section 6-16	
SECTION 255 Home Equity Conversion Mortgage	HB 4000.2, Section 6-17	
SECTION 518A		ML 95-14
SECTION 8 Multi/Family		MLs 05-22; 01-20
SECURITY INSTRUMENT (Mortgage Note)	HB 4000.2, Section 1-12	
SELLER PAID HOA DUES (PREPAIDS)		ML 97-26
SELLER CONCESSIONS		ML 05-02
SELLER CONTRIBUTIONS/CONCESSIONS	HB 4155.1, Section 1-7A	
SEPTIC		
Acceptability Criteria	HB 4150.2, Sections 3-6A (3) & (5)	
Distance To		ML 02-25
Inspections	HB 4145.1, Section 2-5; HB 4150.2, Section 3-6A(3)	
Systems	HB 4150.1, Section 12-16	
SETTLEMENT REQUIREMENTS	HB 4155.1, Section 1-9	

SUBJECT	HANDBOOK (HB)	MORTGAGEE LETTER (ML)
SEVEN-UNIT LIMITATION	HB 4000.2, Section 3-7A	
Geographic Radius- 2 Block		ML 96-46
Exclusion, Redevelopment/203(k), Waivers		MLs 96-23; 91-26
Non-profit		ML 00-08
Waivers		ML 96-21
SIGNATURE LOANS	HB 4155.1, Section 2-10	
SOCIAL SECURITY NUMBERS		
Evidence	HB 4155.1, Section 3-1B	
Non-profit Agency		ML 00-08
Validation		ML 04-17
SOCIAL SECURITY INCOME (Grossing Up)	HB 4155.1, Section 2-7Q	
SOLAR ENERGY SYSTEM	HB 4155.1, Section 1-7C3	
SPECIAL ASSESSMENTS	HB 4150.1, Sections 3-13 Thru 3-15 4150.2, Section 2-1N	
SPECIAL INFORMATION BOOKLET		RESPA
SPECIAL PROGRAM IDENTIFIER CODE	HB 4000.2, App. V	
SPOT-LOAN (CONDO)		ML 96-41
STORM SHELTERS (Compensating Factor)		ML 00-04
STREAMLINE REFIANCE	HB 4155.1, Section 1-12	
EEM	Hb 4155.1, Section 2-20A4K	
Underwritten by TOTAL		ML 04-44
STRUCTURAL DEFECTS	HB 4155.2, Section 3-6A(6), (8)	
New Construction		ML 95-14
STUDENT LOANS (Deferred Obligations)	HB 4155.1 2-11C	

SUBJECT	HANDBOOK (HB)	MORTGAGEE LETTER (ML)
SUBORDINATE FINANCING	HB 4155.1, Section 1-13	
Governmental Agencies	HB 4155.1, Section 1-13A	
Investor Refinancing	HB 4155.1, Section 1-12D(12)	
No Cash-out Refinance W/Appraisal	HB 4155.1, Section 1-11A	
Non-profit Agencies	HB 4155.1, Section 1-13B	
Other Organizations/Individuals	HB 4155.1, Section 1-13C	
SUSPENSIONS/DEBARMENTS	HB 4155.1, Section 2-5A	
SWEAT EQUITY	HB 4155.1, Section 2-100	
SYSTEMS (Functional/Mechanical Certifications)	HB 4150.2, Section 1-2, App. D, D-2	
T		
TAX ID # (TIN)		ML 00-08
TAX LIENS	HB 4155.1, section 2-5B	
TAXES - ADVANCE PAYMENT (By Others)		ML 97-26
TAXES - ESCROW (New Construction Properties)		ML 04-28
TAX SERVICE FEE	HB 4330.1, Section 4-12b	ML 94-7
TEACHER-NEXT-DOOR		ML 00-27 Notice 99-30
TERM OF FIRM COMMITMENT	HB 4000.2, Section 3-8A2	
TERMITES	HB 4150.2, Section 3-6A	ML 97-40
New Construction		ML 01-04
Builder's Warranty		ML 99-03
Methods/Areas of Treatment		ML 01-04
Soil Treatment-Well	HB 4150.1, Section 12-11	
Wood Destroying Insect Inspection Report, Form NPMA-33 (Replaces NPCA-1)	FHA Connection Message Board 1/13/05	

SUBJECT	HANDBOOK (HB)	MORTGAGEE LETTER (ML)
TEST CASES		
15 Acceptable Cases	HB 4000.4, Sections 2-10A(3),4-12C	
Section 203(k) DE	HB 4240.4, Section 1-19	
TIER RANKING SCORES		ML 05-47
TIERED FINANCING	HB 4155.1, Page 3-12	
TIME SHARE PROPERTY (Not counted as Real Estate for foreclosure purposes)		
TITLE		
Corporation		
Exceptions/Waivers	HB 4165.1, Chap. 8	
Living Trusts	HB 4155.1, Section 2-2F	
Waiver Objections	HB 4000.2, Section 4-3H	
TITLE 1, PROPERTY IMPROVEMENTS		ML 94-46
TOTAL SCORECARD		ML 04-00
Cash Reserves		ML 04-44
Documentation Relief		ML 05-15
Gift Fund Overage		ML 00-44
New Version 1.2	FHA Connection Message Board, 11/30/04	
Streamline Refinance		ML 04-44
Tolerance Levels		ML 05-15
Update		ML 04-44
User's Guide		ML 04-47
TRAILING SPOUSE (Compensating Factor)	HB 4155.1, Section 2-13J	
TRANSFER FEES		
Between Lenders	HB 4000.4, Section 1-16	
Streamline Refinance		ML 94-7, #III
TRIBAL TRUST LANDS	HB 4150.2, App. A, Part 2	MLs 94-6; 88-11

SUBJECT	HANDBOOK (HB)	MORTGAGEE LETTER (ML)
TRUST/TITLE	HB 4155.1, Sections 2-2F, 4-4F, 1-12A, 1-4	
Assumptions	HB 4155.1, Section 4-4E	
Living Trust	HB 4155.1, Section 2-2F	
Refinance	HB 4155.1, Sections 1-12A & 1-4	
U		
UNDERWRITER APPROVAL	HB 4000.4, Section 2-3 & 2-4	ML 96-10
DE Underwriter Registry	HB 4004.2, Section 4	ML 96-10, #I & #II
National Approval		ML 94-7
UNDERWRITER CONTRACTING OUT		ML 95-36
UNDERWRITER QUALIFICATIONS	HB 4000.4, Section 2-4	
UNDERWRITER - SANCTIONED (LDP, GSA OR CAIVRS)	HB 4000.4, Section 2-4B	
UNDERWRITER REVIEW FORM (HUD-54114)		MLs 93-29; 91-43
UNDERWRITING FEES	HB 4000.4, Section 1-11I	
UNDERWRITER WORKING FOR MORE THAN ONE LENDER		MLs 97-26, Page 4; 96-18; 9-10; 94-39
UNIFORM CASE BINDER	HB 4000.2, Section 5-4	
UP-FRONT MORTGAGE INSURANCE PREMIUMS ELEMINATION		ML 05-03
Calculation - Based on Principal Balance Without UFMIP		ML 91-1
Condominium (Monthly + Upfront)		ML 05-38
Elimination		ML 05-03
Due Date – Within 15 Days of Closing		ML 91-1
Same Regardless of Term of Loan		ML 91-1
Same Regardless of Financed or Paid in Cash		ML 91-1

SUBJECT	HANDBOOK (HB)	MORTGAGEE LETTER (ML)
URLA REVISED		ML 03-20
V		
VA/CRV or VA/MCRV	HB 4000.2, Section 2-7	
Acceptance	HB 4150.1, Section 12-7	
Solar	HB 4150.1, Section 12-14D	
Manufactured Housing – Cannot Use VACRV/MCRV	HB 4150.1, 1-11E	
No New Appraisal if VA CRV/MCRV Exists		ML 93-29
Underwriting Appraisal		ML 93-29, #5
VACANCY FACTORS	HB 4155.1, Section 2-7M	HOC Update 99-2
VALUATION	HB 4150.2, Section 4	
Cost Approach	HB 4150.2, Section 4-5	
Income Approach	HB 4150.2, Section 4-7	
Sales Comparison Approach	HB 4150.2, Section 4-6	
VALUATION CONDITION SHEET (VC)		MLs 03-18; 99-18
VCR (Use Of)	HB 4000.2, Section 2-7/2-14	
VERIFICATIONS (Documents)	HB 4155.1, 3-2B	
Automated Employment/Income Verification (Electronic)		01-01; 97-26
Deposit (VOC)	HB 4155.1, 3-1F	01-01
Employment (VOE)	HB 4155.1, 3-1E	01-01
FAXed Copies	HB 4155.1, 3-2B	
VETERANS LOAN APPROVAL		ML 04-24
W		
WAGES & SALARIES	HB 4155.1, 1-7C2	
WAIVER TO TITLE	4165.1, 8	
WEATHERIZATION	HD 4155.1, Section 1-7 C2	

SUBJECT	HANDBOOK (HB)	MORTGAGEE LETTER (ML)
WELL		
Acceptable Conditions	HB 4150.2, Section 2-6A(5)(a)	
Distance to Septic		ML 02-25
Inspections	HB 4145.1, Section 2-5	MLs 95-34; 96-18
Shared	HB 4150.1, Section 1-17	
Systems	HB 4150.1, Section 12-16	
Septic (Distance To)		ML 02-25
Testing		MLs 95-24; 92-18, #II
Unacceptable Conditions	HB 4150.2, Section 3-6A(5)(b)	
WIND SHELTERS (Certification/Cost/Value/Comp Factors)		ML 00-4
Y		
YIELD SPREAD PREMIUM	HB 4155.1, Section 1-9K	ML 01-26